

WEINER, BRODSKY, SIDMAN & KIDER

ATTORNEYS AT LAW

PROFESSIONAL CORPORATION

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JOSEPH F. YENOSKAS

*NOT ADMITTED IN D.C.

August 30, 1996

BY HAND DELIVERY

Hon. Vernon A. Williams
Secretary
Surface Transportation Board
12th and Constitution Avenue
Washington, D.C. 20423

RECORDATION NO. 17288-1
FILED 1425

AUG 31 1996 2:25 AM

RECEIVED
SURFACE TRANSPORTATION
BOARD

2 20 PM '96

Re: Second Amendment to Security Agreement and Mortgage of
Personal Property Used in Connection with the Operation
of a Railroad; Original Recordation No. 17288

Dear Secretary Williams:

I have enclosed an original and one copy of the document described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

This document is an amendment to a security agreement and mortgage, a secondary document, dated Aug. 20, 1996. The primary document to which this is connected is recorded under Recordation No. 17288.

The names and addresses of the parties to the document are as follows:

Lender/Mortgagee: Bank One, Milwaukee, NA
111 East Wisconsin
P.O. Box 2033
Milwaukee, Wisconsin 53201

Debtor/Mortgagor: Northern Rail Car Leasing, Inc.
5300 North 33rd Street
Milwaukee, Wisconsin 53209

A description of the equipment covered by the document is attached hereto.

WEINER, BRODSKY, SIDMAN & KIDER, P.C.

Hon. Vernon A. Williams

August 30, 1996

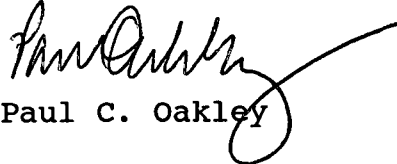
Page 2

A short summary of the document to appear in the index follows: Second Amendment to the Security Agreement and Mortgage of Personal Property Used in Connection with the Operation of a Railroad, original recordation No. 17288, dated Aug. 20, 1996, and covering the equipment listed on the attachment hereto and thereto.

Also enclosed is a check in the amount of \$21 to cover the fee associated with the recordation of this document.

Please acknowledge receipt of this filing by date-stamping the enclosed acknowledgement copy and returning it to our messenger.

Very truly yours,

A handwritten signature in black ink, appearing to read "Paul C. Oakley", with a long, sweeping horizontal line extending to the right.

Paul C. Oakley

Attachments

SCHEDULE 1-B

Railroad Rolling Stock and Locomotives

Locomotives

1 GP-7 WSOR 751
1 GP-7 WSOR 752

1 GP-9 WSOR 4490
1 GP-9 WSOR 4491
1 GP-9 WSOR 4492

1 GP-20 WSOR 2003
1 GP-20 WSOR 4118
1 GP-20 WSOR 4141

1 DOME CAR AMT 800 148
1 SLEEPING CAR AMT 800 149
1 DORMITORY CAR AMT 800 150
1 BAGGAGE CAR AMT 800 151
1 E-9 LOCOMOTIVE WSOR 10C
1 E-9 LOCOMOTIVE WSIR 10A

1 GP-35 WSOR 3501
1 GP-35 WSOR 6547
1 GP-35 WSOR 6552
1 GP-35 WSOR 6579
1 GP-35 WSOR 6585
1 GP-35 WSOR 6604
1 GP-35 WSOR 6620
1 GP-35 WSOR 6661

1 XM BOX CAR WSOR 505001
1 XM BOX CAR WSOR 505002
1 XM BOX CAR WSOR 505003
1 XM BOX CAR WSOR 505004
1 XM BOX CAR WSOR 505005
1 XM BOX CAR WSOR 505006
1 XM BOX CAR WSOR 505008
1 XM BOX CAR WSOR 505009

1 NW-2 WSOR 1009

**SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001**

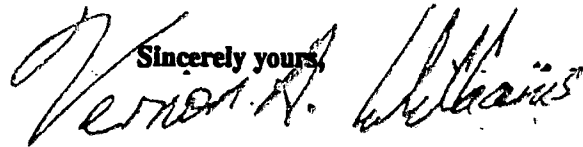
8/30/96

Paul C. Oakley
Weiner, Brodsky, Sidman & Kider
1350 New York Avenue, NW, Ste. 800
Washington, DC., 20005-4797

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 8/30/96 at 2:25PM, and assigned recordation number(s). 17288-C.

Sincerely yours,

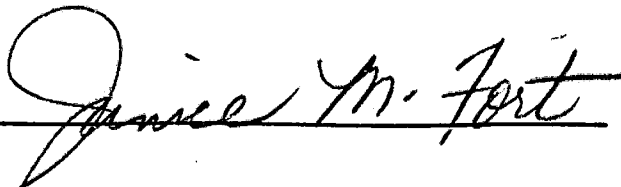


Vernon A. Williams
Secretary

Enclosure(s)

\$ 21.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



AUG 30 1996 -2 25 AM

SECOND AMENDMENT TO SECURITY AGREEMENT
AND MORTGAGE OF PERSONAL PROPERTY USED IN
CONNECTION WITH THE OPERATION OF A RAILROAD

THIS AGREEMENT is made and entered into as of the 20th day of August, 1996, by and between BANK ONE MILWAUKEE, NA, a national banking association ("Bank"), and NORTHERN RAIL CAR LEASING, INC., a Wisconsin corporation ("Debtor");

R E C I T A L S

1. Debtor has executed and delivered to Bank a Security Agreement and Mortgage of Personal Property used in Connection with the Operation of a Railroad dated as of March 20, 1991 (the "Mortgage"), by which Debtor granted Lender a security interest in the collateral described therein; and

2. Debtor has executed and delivered to Bank an Amendment to Security Agreements dated as of September 14, 1993 (the "First Mortgage Amendment") which amended certain provisions of the Mortgage.

3. Debtor and Bank have entered into an Amended and Restated Credit Agreement of even date with respect to existing indebtedness owed by Debtor to Bank (the "Amended Credit Agreement"); and

4. As a condition of the making of the Amended Credit Agreement, and to induce the Bank to enter into the Amended Credit Agreement, Debtor has agreed to further amend the Mortgage in certain respects;

A G R E E M E N T S

NOW, THEREFORE, in consideration of the making of the Amended Credit Agreement and the extension of credit to Debtor, the parties agree as follows:

1. Amendments to Mortgage. The Mortgage is amended as follows:

(a) Section 1(b) is amended to read as follows:

(b) The obligations secured by this Agreement consist of all debts, obligations and liabilities of Debtor, and/or William E. Gardner ("Gardner") to Secured Party, in each case arising out of credit previously granted, credit contemporaneously granted and credit granted in the future by Secured Party to any of them, to Debtor and another, or to another guaranteed or endorsed by Debtor, including, but not limited to, the following described debts, obligations and liabilities, all of which are defined herein collectively as the "Obligations":

(i) Due payment of all principal, interest and other charges payable by Debtor to Secured Party under the Amended and Restated Credit Agreement between Debtor and Secured Party dated as of August 20, 1996 ("Credit Agreement") and under the Note described in the Credit Agreement, and any extensions, modifications or refinancing thereof; and

(ii) Due payment of all amounts required to be paid by Debtor and performance of all obligations of Debtor under the Credit Agreement, this Security Agreement and the other documents executed and delivered by Debtor to Secured Party in connection with the Credit Agreement; and

(iii) Due payment of all amounts required to be paid by Gardner to Secured Party and performance of all obligations of Debtor or Gardner under any credit agreement, security agreement or collateral pledge agreement in favor of Secured Party.

(b) The definitions of Collateral and Rolling Stock contained in Section 2 shall include the railroad rolling stock and locomotives described in Schedule 1-B of this Agreement.

(c) Schedule 1-B attached to this Agreement shall be incorporated as Schedule 1-B of the Mortgage.

2. No Other Amendments. Except as expressly amended hereby, all of the terms and conditions of the Mortgage shall remain in full force and effect.

3. Representations and Warranties. All representations and warranties of Debtor contained in the Mortgage, as amended hereby, are true and correct on the date hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day, month and year first above written.

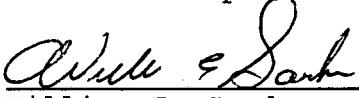
BANK:

BANK ONE, MILWAUKEE, NA,
a national banking association

By: 
Errol D. Barnett, Vice President

DEBTOR:

NORTHERN RAIL CAR LEASING, INC.,
a Wisconsin corporation

By: 
William E. Gardner, President

STATE OF WISCONSIN)
 : ss.
COUNTY OF MILWAUKEE)

The foregoing instrument was acknowledged before me this 20TH day of August, 1996, by Errol D. Barnett, a Vice President of Bank One, Milwaukee, NA, a national banking association, personally known to me to be the same person whose name is subscribed to the foregoing instrument and acknowledged that he signed and delivered the said instrument for the uses and purposes therein set forth.

[SEAL]

Rog Schrieber
Printed Name: ROGER SCHRIEBER
Notary Public, State of Wisconsin
My commission: 12-29-96

STATE OF WISCONSIN)
 : ss.
COUNTY OF MILWAUKEE)

The foregoing instrument was acknowledged before me this 20TH day of August, 1996, by William E. Gardner, the President of Northern Rail Car Leasing, Inc., a Wisconsin corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument and acknowledged that she signed and delivered the said instrument for the uses and purposes therein set forth.

[SEAL]

Rog Schrieber
Printed Name: ROGER SCHRIEBER
Notary Public, State of Wisconsin
My commission: 12-29-96

SCHEDULE 1-B

Railroad Rolling Stock and Locomotives

Locomotives

1	GP-7 WSOR 751	1	GP-35 WSOR 3501
1	GP-7 WSOR 752	1	GP-35 WSOR 6547 ✓
		1	GP-35 WSOR 6552 ✓
		1	GP-35 WSOR 6579 ✓
		1	GP-35 WSOR 6585
1	GP-9 WSOR 4490	1	GP-35 WSOR 6604
1	GP-9 WSOR 4491	1	GP-35 WSOR 6620
1	GP-9 WSOR 4492 ✓	1	GP-35 WSOR 6661
		1	XM BOX CAR WSOR 505001
		1	XM BOX CAR WSOR 505002
1	GP-20 WSOR 2003	1	XM BOX CAR WSOR 505003
1	GP-20 WSOR 4118	1	XM BOX CAR WSOR 505004
1	GP-20 WSOR 4141	1	XM BOX CAR WSOR 505005
		1	XM BOX CAR WSOR 505006
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1	DORMITORY CAR AMT 800 150		
1	BAGGAGE CAR AMT 800 151		
1	E-9 LOCOMOTIVE WSOR 10C		
1	E-9 LOCOMOTIVE WSIR 10A		

CERTIFICATION

District of Columbia

)
: ss.
)

I have compared the foregoing instrument with the original and have found the copy to be complete and identical in all respects to the original document.



Notary Public

LYNNETTE D. TELLIS

Notary Public, District of Columbia
My Commission Expires April 14, 1999

SEAL

